

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1846 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-31-2-10.5 IS ADDED TO THE INDIANA
- 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 2005]: **Sec. 10.5. "Live racing day" means a**
- 9 **day on which at least eight (8) live horse races are conducted.**
- 10 SECTION 2. IC 4-31-2-11.5 IS ADDED TO THE INDIANA
- 11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 12 [EFFECTIVE JULY 1, 2005]: **Sec. 11.5. "Pari-mutuel pull tab" has**
- 13 **the meaning set forth in IC 4-35-2-5.**
- 14 SECTION 3. IC 4-31-4-2 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A county fiscal
- 16 body may adopt an ordinance permitting the filing of applications under
- 17 IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks
- 18 in the county. However, before adopting the ordinance, the county
- 19 fiscal body must:
- 20 (1) conduct a public hearing on the proposed ordinance; and
- 21 (2) publish notice of the public hearing in the manner prescribed
- 22 by IC 5-3-1.
- 23 (b) The county fiscal body may:
- 24 (1) require in the ordinance adopted by the county fiscal body that
- 25 before applications under IC 4-31-5 to conduct pari-mutuel

wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or (2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

**(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended in a manner that restricts a person's ability to sell pari-mutuel pull tabs under IC 4-35. An ordinance adopted by the county fiscal body permitting the sale of pari-mutuel pull tabs in the county is not a prerequisite for the lawful operation of pari-mutuel pull tabs under IC 4-35.**

SECTION 4. IC 4-31-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The commission shall determine the dates ~~and the number~~ of racing days authorized under each recognized meeting permit. Except for racing at winterized tracks, a recognized meeting may not be conducted after December 10 of a calendar year.

**(b) The commission shall require at least one hundred sixty (160) live racing days per calendar year at the racetrack designated in a permit holder's permit as follows:**

**(1) One hundred (100) live racing days must be for standardbreds.**

**(2) Sixty (60) live racing days must be for horses mounted by jockeys run over a course without jumps or obstacles.**

**The requirements of this subsection are a continuing condition for maintaining the permit holder's permit. However, the requirements do not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control.**

SECTION 5. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

**(1) Except as provided in subsection (c), the commission may issue four (4) satellite facility licenses to each permit holder that:**

- 1 (A) conducts at least one hundred twenty (120) live racing
- 2 days per year at the racetrack designated in the permit holder's
- 3 permit; and
- 4 (B) meets the other requirements of this chapter and the rules
- 5 adopted under this chapter.
- 6 If a permit holder that operates satellite facilities does not meet the
- 7 required minimum number of live racing days, the permit holder
- 8 may not operate the permit holder's satellite facilities during the
- 9 following year. However, the requirement for one hundred twenty
- 10 (120) live racing days does not apply if the commission
- 11 determines that the permit holder is prevented from conducting
- 12 live horse racing as a result of a natural disaster or other event
- 13 over which the permit holder has no control. In addition, if the
- 14 initial racing meeting conducted by a permit holder commences at
- 15 such a time as to make it impractical to conduct one hundred
- 16 twenty (120) live racing days during the permit holder's first year
- 17 of operations, the commission may authorize the permit holder to
- 18 conduct simulcast wagering during the first year of operations
- 19 with fewer than one hundred twenty (120) live racing days.
- 20 (2) Each proposed satellite facility must be covered by a separate
- 21 application. The timing for filing an initial application for a
- 22 satellite facility license shall be established by the rules of the
- 23 commission.
- 24 (3) A satellite facility must:
- 25 (A) have full dining service available;
- 26 (B) have multiple screens to enable each patron to view
- 27 simulcast races; and
- 28 (C) be designed to seat comfortably a minimum of four
- 29 hundred (400) persons.
- 30 (4) In determining whether a proposed satellite facility should be
- 31 approved, the commission shall consider the following:
- 32 (A) The purposes and provisions of this chapter.
- 33 (B) The public interest.
- 34 (C) The impact of the proposed satellite facility on live racing.
- 35 (D) The impact of the proposed satellite facility on the local
- 36 community.
- 37 (E) The potential for job creation.
- 38 (F) The quality of the physical facilities and the services to be
- 39 provided at the proposed satellite facility.
- 40 (G) Any other factors that the commission considers important
- 41 or relevant to its decision.
- 42 (5) The commission may not issue a license for a satellite facility
- 43 to be located in a county unless IC 4-31-4 has been satisfied.
- 44 **(c) After December 31, 2004, a permit holder may not submit an**
- 45 **initial application for a license to operate an additional satellite**
- 46 **facility under this chapter. After December 31, 2004, the**
- 47 **commission may not issue an initial license for a new satellite**

1 **facility. A satellite facility license issued before January 1, 2005,**  
 2 **may be renewed annually subject to the requirements of this**  
 3 **chapter.**

4 SECTION 6. IC 4-31-7-1 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person holding  
 6 a permit to conduct a horse racing meeting or a license to operate a  
 7 satellite facility may provide a place in the racing meeting grounds or  
 8 enclosure or the satellite facility at which the person may conduct and  
 9 supervise the pari-mutuel system of wagering by patrons of legal age  
 10 on the horse races conducted or simulcast by the person. The person  
 11 may not permit or use:

12 (1) another place other than that provided and designated by the  
 13 person; or

14 (2) another method or system of betting or wagering.

15 **However, a permit holder licensed to sell pari-mutuel pull tabs**  
 16 **under IC 4-35 may permit wagering on pari-mutuel pull tabs at a**  
 17 **racetrack as permitted by IC 4-35.**

18 (b) Except as provided in section 7 of this chapter and IC 4-31-5.5,  
 19 the pari-mutuel system of wagering may not be conducted on any races  
 20 except the races at the racetrack, grounds, or enclosure for which the  
 21 person holds a permit.

22 SECTION 7. IC 4-31-7-2 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A person less  
 24 than eighteen (18) years of age may not wager at a horse racing  
 25 meeting.

26 (b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age  
 27 may not enter the grandstand, clubhouse, or similar areas of a racetrack  
 28 at which wagering is permitted unless accompanied by a person who is  
 29 at least twenty-one (21) years of age.

30 (c) A person less than eighteen (18) years of age may not enter a  
 31 satellite facility.

32 **(d) A person less than twenty-one (21) years of age may not**  
 33 **enter the part of a racetrack in which pari-mutuel pull tabs are**  
 34 **sold under IC 4-35.**

35 SECTION 8. IC 4-31-9-1 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. A person that holds  
 37 a permit to conduct a horse racing meeting or a license to operate a  
 38 satellite facility shall withhold:

39 (1) eighteen percent (18%) of the total of money wagered on each  
 40 day at the racetrack or satellite facility (including money wagered  
 41 on exotic wagering pools, **but excluding money wagered on**  
 42 **pari-mutuel pull tabs under IC 4-35); plus**

43 (2) an additional three and one-half percent (3.5%) of the total of  
 44 all money wagered on exotic wagering pools on each day at the  
 45 racetrack or satellite facility.

46 SECTION 9. IC 4-32-15-0.5 IS ADDED TO THE INDIANA  
 47 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2005]: **Sec. 0.5. This chapter does not apply to the sale of pari-mutuel pull tabs under IC 4-35.**

SECTION 10. IC 4-33-2-16.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 16.3. "Pari-mutuel pull tab" has the meaning set forth in IC 4-35-2-5.**

SECTION 11. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
- (4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.
- (5) Imposing penalties for noncriminal violations of this article.
- (6) Establishing the conditions under which pari-mutuel pull tabs may be sold under IC 4-35.**

SECTION 12. IC 4-33-12-6, AS AMENDED BY P.L.4-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

- (1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

- (i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or
- (ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

- (2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

- (A) embarking on a gambling excursion during the quarter; or
- (B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under

1 subdivision (1)(B).

2 (3) Except as provided in subsection (k), ten cents (\$0.10) of the  
3 admissions tax collected by the licensed owner for each person:

4 (A) embarking on a gambling excursion during the quarter; or

5 (B) admitted to a riverboat during the quarter that has  
6 implemented flexible scheduling under IC 4-33-6-21;

7 shall be paid to the county convention and visitors bureau or  
8 promotion fund for the county in which the riverboat is docked.

9 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of  
10 the admissions tax collected by the licensed owner for each  
11 person:

12 (A) embarking on a gambling excursion during the quarter; or

13 (B) admitted to a riverboat during a quarter that has  
14 implemented flexible scheduling under IC 4-33-6-21;

15 shall be paid to the state fair commission, for use in any activity  
16 that the commission is authorized to carry out under IC 15-1.5-3.

17 (5) Except as provided in subsection (k), ten cents (\$0.10) of the  
18 admissions tax collected by the licensed owner for each person:

19 (A) embarking on a gambling excursion during the quarter; or

20 (B) admitted to a riverboat during the quarter that has  
21 implemented flexible scheduling under IC 4-33-6-21;

22 shall be paid to the division of mental health and addiction. The  
23 division shall allocate at least twenty-five percent (25%) of the  
24 funds derived from the admissions tax to the prevention and  
25 treatment of compulsive gambling.

26 (6) Except as provided in ~~subsection~~ **subsections (k) and (l)**,  
27 sixty-five cents (\$0.65) of the admissions tax collected by the  
28 licensed owner for each person embarking on a gambling  
29 excursion during the quarter or admitted to a riverboat during the  
30 quarter that has implemented flexible scheduling under  
31 IC 4-33-6-21 shall be paid to the Indiana horse racing commission  
32 to be distributed as follows, in amounts determined by the Indiana  
33 horse racing commission, for the promotion and operation of  
34 horse racing in Indiana:

35 (A) To one (1) or more breed development funds established  
36 by the Indiana horse racing commission under IC 4-31-11-10.

37 (B) To a racetrack that was approved by the Indiana horse  
38 racing commission under IC 4-31. The commission may make  
39 a grant under this clause only for purses, promotions, and  
40 routine operations of the racetrack. No grants shall be made for  
41 long term capital investment or construction, and no grants  
42 shall be made before the racetrack becomes operational and is  
43 offering a racing schedule.

44 (c) With respect to tax revenue collected from a riverboat located in  
45 a historic hotel district, the treasurer of state shall quarterly pay the  
46 following amounts:

47 (1) Twenty-five percent (25%) of the admissions tax collected

during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (A) is located in the county in which the riverboat docks; and
- (B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's

- 1 tourism commission.
- 2 (3) Nine percent (9%) of the admissions tax collected during the
- 3 quarter shall be paid to the historic hotel preservation commission
- 4 established under IC 36-7-11.5.
- 5 (4) Twenty-five percent (25%) of the admissions tax collected
- 6 during the quarter shall be paid to the West Baden Springs historic
- 7 hotel preservation and maintenance fund established by
- 8 IC 36-7-11.5-11(b).
- 9 (5) Twenty-five percent (25%) of the admissions tax collected
- 10 during the quarter shall be paid to the Indiana economic
- 11 development corporation to be used by the corporation for the
- 12 development and implementation of a regional economic
- 13 development strategy to assist the residents of the county in which
- 14 the riverboat is located and residents of contiguous counties in
- 15 improving their quality of life and to help promote successful and
- 16 sustainable communities. The regional economic development
- 17 strategy must include goals concerning the following issues:
- 18 (A) Job creation and retention.
- 19 (B) Infrastructure, including water, wastewater, and storm
- 20 water infrastructure needs.
- 21 (C) Housing.
- 22 (D) Workforce training.
- 23 (E) Health care.
- 24 (F) Local planning.
- 25 (G) Land use.
- 26 (H) Assistance to regional economic development groups.
- 27 (I) Other regional development issues as determined by the
- 28 Indiana economic development corporation.
- 29 (d) With respect to tax revenue collected from a riverboat that
- 30 operates from a county having a population of more than four hundred
- 31 thousand (400,000) but less than seven hundred thousand (700,000), the
- 32 treasurer of state shall quarterly pay the following amounts:
- 33 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 34 admissions tax collected by the licensed owner for each person:
- 35 (A) embarking on a gambling excursion during the quarter; or
- 36 (B) admitted to a riverboat during the quarter that has
- 37 implemented flexible scheduling under IC 4-33-6-21;
- 38 shall be paid to the city in which the riverboat is docked.
- 39 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 40 admissions tax collected by the licensed owner for each person:
- 41 (A) embarking on a gambling excursion during the quarter; or
- 42 (B) admitted to a riverboat during the quarter that has
- 43 implemented flexible scheduling under IC 4-33-6-21;
- 44 shall be paid to the county in which the riverboat is docked.
- 45 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
- 46 admissions tax collected by the licensed owner for each person:
- 47 (A) embarking on a gambling excursion during the quarter; or



(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in ~~subsection~~ **subsections (k) and (l)**, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1)

- 1 through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):
- 2 (1) must be paid to the fiscal officer of the unit and may be
- 3 deposited in the unit's general fund or riverboat fund established
- 4 under IC 36-1-8-9, or both;
- 5 (2) may not be used to reduce the unit's maximum levy under
- 6 IC 6-1.1-18.5 but may be used at the discretion of the unit to
- 7 reduce the property tax levy of the unit for a particular year;
- 8 (3) may be used for any legal or corporate purpose of the unit,
- 9 including the pledge of money to bonds, leases, or other
- 10 obligations under IC 5-1-14-4; and
- 11 (4) is considered miscellaneous revenue.
- 12 (f) Money paid by the treasurer of state under subsection (b)(3) or
- 13 (d)(3) shall be:
- 14 (1) deposited in:
- 15 (A) the county convention and visitor promotion fund; or
- 16 (B) the county's general fund if the county does not have a
- 17 convention and visitor promotion fund; and
- 18 (2) used only for the tourism promotion, advertising, and
- 19 economic development activities of the county and community.
- 20 (g) Money received by the division of mental health and addiction
- 21 under subsections (b)(5) and (d)(6):
- 22 (1) is annually appropriated to the division of mental health and
- 23 addiction;
- 24 (2) shall be distributed to the division of mental health and
- 25 addiction at times during each state fiscal year determined by the
- 26 budget agency; and
- 27 (3) shall be used by the division of mental health and addiction for
- 28 programs and facilities for the prevention and treatment of
- 29 addictions to drugs, alcohol, and compulsive gambling, including
- 30 the creation and maintenance of a toll free telephone line to
- 31 provide the public with information about these addictions. The
- 32 division shall allocate at least twenty-five percent (25%) of the
- 33 money received to the prevention and treatment of compulsive
- 34 gambling.
- 35 (h) This subsection applies to the following:
- 36 (1) Each entity receiving money under subsection (b).
- 37 (2) Each entity receiving money under subsection (d)(1) through
- 38 (d)(2).
- 39 (3) Each entity receiving money under subsection (d)(5) through
- 40 (d)(7).
- 41 The treasurer of state shall determine the total amount of money paid
- 42 by the treasurer of state to an entity subject to this subsection during the
- 43 state fiscal year 2002. The amount determined under this subsection is
- 44 the base year revenue for each entity subject to this subsection. The
- 45 treasurer of state shall certify the base year revenue determined under
- 46 this subsection to each entity subject to this subsection.
- 47 (i) This subsection applies to an entity receiving money under

subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) exceed a particular entity's base year revenue; and
- (2) would otherwise be due to the entity under this section; to the property tax replacement fund instead of to the entity.

**(l) The maximum amount paid to the Indiana horse racing commission under this section in a state fiscal year ending before July 1, 2007, may not exceed the remainder of:**

- (1) the Indiana horse racing commission's base year revenue as determined under subsection (h); minus**
- (2) the amount of pari-mutuel pull tab wagering taxes, if any, paid to the Indiana horse racing commission under IC 4-35-8-3 in the state fiscal year.**

**For a state fiscal year ending before July 1, 2007, the treasurer of state shall pay the amount of the admissions taxes equal to the amount of pari-mutuel pull tab wagering taxes, if any, subtracted from the Indiana horse racing commission's base year revenue under this subsection to the property tax replacement fund instead of to the Indiana horse racing commission. For a state fiscal year beginning after June 30, 2007, the Indiana horse racing commission is not entitled to a distribution of admissions taxes collected under this chapter. After June 30, 2007, the treasurer of state shall pay the admissions taxes specified in subsections (b)(6) and (d)(7) to the property tax replacement fund instead of to the Indiana horse racing commission."**

Page 7, between lines 34 and 35, begin a new paragraph and insert:  
SECTION 15. IC 4-33-18-9 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

- (1) the ~~Indiana state~~ lottery commission under IC 4-30;
- (2) the Indiana horse racing commission under IC 4-31;
- (3) the department of state revenue under IC 4-32; or
- (4) the Indiana gaming commission under IC 4-33 **or IC 4-35.**

(b) The department may not exercise any administrative or regulatory powers with respect to:

- (1) the Indiana lottery under IC 4-30;
- (2) pari-mutuel horse racing under IC 4-31;
- (3) charity gaming under IC 4-32; or
- (4) riverboat casino gambling under IC 4-33; **or**
- (5) the sale of pari-mutuel pull tabs at a racetrack (as defined by IC 4-35-2-7) under IC 4-35.**

SECTION 16. IC 4-35 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

#### **ARTICLE 35. PARI-MUTUEL PULL TABS**

##### **Chapter 1. Application**

**Sec. 1. This article applies only to the sale of pari-mutuel pull tabs by a permit holder licensed under IC 4-35-5.**

**Sec. 2. This article does not apply to the sale of pull tabs by:**

- (1) the state lottery commission under IC 4-30; or
- (2) a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

##### **Chapter 2. Definitions**

**Sec. 1. The definitions in this chapter apply throughout this article.**

**Sec. 2. "Adjusted gross receipts" means:**

- (1) the total of all cash and property (including checks received by a permit holder, whether collected or not) received by a permit holder from pari-mutuel pull tab sales; minus
- (2) the total of:
  - (A) all cash paid out to patrons as winnings for pari-mutuel pull tabs; and
  - (B) uncollectible pari-mutuel pull tab receivables, not to exceed the lesser of:
    - (i) a reasonable provision for uncollectible patron checks received from pari-mutuel pull tab sales; or
    - (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for pari-mutuel pull tabs.

**For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the permit holder from pari-mutuel pull tab sales.**

**Sec. 3. "Commission" refers to the Indiana gaming commission**

1 established by IC 4-33-3-1.

2 Sec. 4. "Department" refers to the department of state revenue.

3 Sec. 5. "Pari-mutuel pull tab" means a game offered to the  
4 public in which a person who purchases a ticket or simulated ticket  
5 has the opportunity to share in a prize pool, multiple prize pools,  
6 or a shared prize pool consisting of the total amount wagered in the  
7 game minus deductions by the permit holder selling the  
8 pari-mutuel pull tab and other deductions either permitted or  
9 required by law.

10 Sec. 6. "Permit holder" means a person holding a permit issued  
11 under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

12 Sec. 7. "Racetrack" means the racetrack specified in a permit  
13 holder's permit to conduct a pari-mutuel horse racing meeting.

14 Sec. 8. "Supplier's license" means a license issued under  
15 IC 4-35-6.

#### 16 Chapter 3. General Provisions

17 Sec. 1. All shipments of gambling devices, including pari-mutuel  
18 pull tab machines, to permit holders in Indiana, the registering,  
19 recording, and labeling of which have been completed by the  
20 manufacturer or dealer in accordance with 15 U.S.C. 1171 through  
21 15 U.S.C. 1178, are legal shipments of gambling devices into  
22 Indiana.

23 Sec. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the  
24 state of Indiana, acting by and through elected and qualified  
25 members of the general assembly, declares that the state is exempt  
26 from 15 U.S.C. 1172.

#### 27 Chapter 4. Powers and Duties of the Indiana Gaming 28 Commission

29 Sec. 1. The commission shall regulate and administer the sale,  
30 purchase, and redemption of pari-mutuel pull tabs under this  
31 article.

32 Sec. 2. (a) The commission shall adopt rules under IC 4-22-2,  
33 including emergency rules adopted under a procedure identical to  
34 the procedure set forth in IC 4-22-2-37.1, to implement this article,  
35 including rules that prescribe:

36 (1) an approval process for pari-mutuel pull tab games that  
37 requires periodic testing of the games and equipment by an  
38 independent entity under the oversight of the commission to  
39 ensure the integrity of the games to the public;

40 (2) a system of internal audit controls;

41 (3) a method of payment for pari-mutuel pull tab prizes that  
42 allows a player to transfer credits from one (1) terminal or  
43 device to another;

44 (4) a method of payment for pari-mutuel pull tab prizes that  
45 allows a player to redeem a winning ticket for additional play  
46 tickets or credit to permit purchase of additional play tickets;

(5) requirements for a license to sell pari-mutuel pull tabs that a permit holder must obtain from the commission before selling pari-mutuel pull tabs; and

(6) any other procedure or requirement necessary for the efficient and economical operation of the pari-mutuel pull tab games and the convenience of the public.

(b) The commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer pari-mutuel pull tab games.

#### **Chapter 5. Pari-Mutuel Pull Tab License**

**Sec. 1.** The commission may issue a license to a permit holder to sell pari-mutuel pull tabs under this article at the permit holder's racetrack.

**Sec. 2.** Before issuing a license to a permit holder under this chapter, the commission shall subject the permit holder to a background investigation similar to a background investigation required for an applicant for a riverboat owner's license under IC 4-33-6.

**Sec. 3.** An initial pari-mutuel pull tab license expires five (5) years after the effective date of the license. Unless the pari-mutuel pull tab license is terminated or revoked, the pari-mutuel pull tab license may be renewed annually thereafter upon:

(1) the payment of an annual renewal fee determined by the commission; and

(2) a determination by the commission that the permit holder satisfies the conditions of this chapter.

**Sec. 4. (a)** A permit holder holding a pari-mutuel pull tab license shall undergo a complete investigation every three (3) years to determine whether the permit holder remains in compliance with this article.

(b) Notwithstanding subsection (a), the commission may investigate a permit holder at any time the commission determines it is necessary to ensure that the permit holder remains in compliance with this article.

**Sec. 5.** A permit holder shall bear the cost of an investigation or a reinvestigation of the permit holder and any investigation resulting from a potential transfer of ownership.

**Sec. 6.** The commission may assess an administrative fee to a permit holder offering pari-mutuel pull tab games in an amount that allows the commission to recover all the commission's costs of administering this article.

#### **Chapter 6. Pari-Mutuel Pull Tab Suppliers**

**Sec. 1.** The commission may issue a supplier's license under this chapter to a person if:

(1) the person has:

(A) applied for the supplier's license;

- 1 (B) paid a nonrefundable application fee set by the
- 2 commission;
- 3 (C) paid a five thousand dollar (\$5,000) annual supplier's
- 4 license fee; and
- 5 (D) submitted, on forms provided by the commission, two
- 6 (2) sets of:
  - 7 (i) the individual's fingerprints, if the applicant is an
  - 8 individual; or
  - 9 (ii) fingerprints for each officer and director of the
  - 10 applicant, if the applicant is not an individual; and
  - 11 (2) the commission has determined that the applicant is
  - 12 eligible for a supplier's license.
- 13 Sec. 2. (a) A holder of a supplier's license issued under this
- 14 chapter may sell, lease, and contract to sell or lease pari-mutuel
- 15 pull tab terminals and devices to a permit holder authorized to sell
- 16 and redeem pari-mutuel pull tabs under IC 4-35-5.
- 17 (b) Pari-mutuel pull tab terminals and devices may not be
- 18 distributed unless the terminals and devices conform to standards
- 19 adopted by the commission.
- 20 Sec. 3. A person may not receive a supplier's license under this
- 21 chapter if:
  - 22 (1) the person has been convicted of a felony under Indiana
  - 23 law, the laws of any other state, or the laws of the United
  - 24 States;
  - 25 (2) the person has knowingly or intentionally submitted an
  - 26 application for a supplier's license under this chapter that
  - 27 contains false information;
  - 28 (3) the person is a member of the commission;
  - 29 (4) the person is an officer, a director, or a managerial
  - 30 employee of a person described in subdivision (1) or (2);
  - 31 (5) the person employs an individual who:
    - 32 (A) is described in subdivision (1), (2), or (3); and
    - 33 (B) participates in the management or operation of
    - 34 gambling operations authorized under this article;
    - 35 (6) the person owns more than a ten percent (10%) ownership
    - 36 interest in any other person holding a permit issued under
    - 37 IC 4-31; or
    - 38 (7) a license issued to the person:
      - 39 (A) under this article; or
      - 40 (B) to supply gaming supplies in another jurisdiction;
      - 41 has been revoked.
  - 42 Sec. 4. A person may not furnish pari-mutuel pull tab terminals
  - 43 or devices to a permit holder unless the person possesses a
  - 44 supplier's license.
  - 45 Sec. 5. (a) A supplier shall furnish to the commission a list of all
  - 46 pari-mutuel pull tab terminals and devices offered for sale or lease

1 in connection with the sale of pari-mutuel pull tabs authorized  
2 under this article.

3 (b) A supplier shall keep books and records for the furnishing  
4 of pari-mutuel pull tab terminals and devices to permit holders.  
5 The books and records must be separate from books and records  
6 of any other business operated by the supplier.

7 (c) A supplier shall file a quarterly return with the commission  
8 listing all sales and leases.

9 (d) A supplier shall permanently affix the supplier's name to all  
10 pari-mutuel pull tab terminals or devices that the supplier provides  
11 to permit holders under this chapter.

12 Sec. 6. A supplier's pari-mutuel pull tab terminals or devices  
13 that are used by a person in an unauthorized gambling operation  
14 shall be forfeited to the state.

15 Sec. 7. Pari-mutuel pull tab terminals and devices that are  
16 provided by a supplier may be:

- 17 (1) repaired on the premises of a racetrack; or
- 18 (2) removed for repair from the racetrack to a facility owned  
19 by the permit holder.

20 Sec. 8. (a) Unless a supplier's license is suspended, expires, or is  
21 revoked, the supplier's license may be renewed annually upon:

- 22 (1) the payment of a five thousand dollar (\$5,000) annual  
23 renewal fee; and
- 24 (2) a determination by the commission that the holder of the  
25 supplier's license is in compliance with this article.

26 (b) The holder of a supplier's license shall undergo a complete  
27 investigation every three (3) years to determine whether the holder  
28 of the supplier's license is in compliance with this article.

29 (c) Notwithstanding subsection (b), the commission may  
30 investigate the holder of a supplier's license at any time the  
31 commission determines it is necessary to ensure that the holder of  
32 the supplier's license is in compliance with this article.

33 (d) The holder of a supplier's license shall bear the cost of an  
34 investigation or reinvestigation of the licensee and any investigation  
35 resulting from a potential transfer of ownership.

#### 36 Chapter 7. Conduct of Pari-Mutuel Pull Tab Games

37 Sec. 1. A pari-mutuel pull tab game must be conducted in the  
38 following manner:

- 39 (1) Each set of pari-mutuel pull tabs must have a  
40 predetermined:
  - 41 (A) total purchase price; and
  - 42 (B) amount of prizes.
- 43 (2) Randomly ordered pari-mutuel pull tabs may be  
44 distributed from an approved location or from a distribution  
45 device to:
  - 46 (A) the permit holder at the permit holder's racetrack; or



1           **(B) a terminal or device of the permit holder at the permit**  
 2           **holder's racetrack.**

3           **(3) A pari-mutuel pull tab must be presented to a player in the**  
 4           **form of a paper ticket or display on a terminal or device.**

5           **(4) Game results must be initially covered or otherwise**  
 6           **concealed from view on the pari-mutuel pull tab ticket,**  
 7           **terminal, or device so that the number, letter, symbol, or set**  
 8           **of numbers, letters, or symbols cannot be seen until the**  
 9           **concealing medium is removed.**

10           **(5) A winner is identified after the display of the game results**  
 11           **when a player removes the concealing medium of the**  
 12           **pari-mutuel pull tab ticket or display on a terminal or device.**

13           **(6) A winner shall receive the prize or prizes posted or**  
 14           **displayed for the game from the permit holder.**

15           **Sec. 2. A person less than twenty-one (21) years of age may not**  
 16           **purchase a pari-mutuel pull tab.**

17           **Sec. 3. The sale price of a pari-mutuel pull tab may not exceed**  
 18           **ten dollars (\$10).**

19           **Sec. 4. The sale, purchase, and redemption of pari-mutuel pull**  
 20           **tabs are limited to a racetrack operated by a permit holder licensed**  
 21           **to sell pari-mutuel pull tab tickets under IC 4-35-5.**

22           **Sec. 5. A permit holder may not install more than one thousand**  
 23           **(1,000) pari-mutuel pull tab terminals or devices on the premises**  
 24           **of the permit holder's racetrack.**

25           **Sec. 6. The number and amount of the prizes in a pari-mutuel**  
 26           **pull tab game must be finite. However, the commission may not**  
 27           **limit the number or amount of prizes in a pari-mutuel pull tab**  
 28           **game.**

29           **Sec. 7. A list of prizes for winning pari-mutuel pull tabs must be**  
 30           **posted or displayed at a location where the pari-mutuel pull tabs**  
 31           **are sold.**

32           **Sec. 8. A permit holder may close a pari-mutuel pull tab game**  
 33           **at any time.**

34           **Sec. 9. A pari-mutuel pull tab terminal or device may be**  
 35           **operated by a player without the assistance of the permit holder for**  
 36           **the sale and redemption of pari-mutuel pull tabs.**

37           **Sec. 10. A pari-mutuel pull tab terminal or device may not**  
 38           **dispense coins or currency as prizes for winning pari-mutuel pull**  
 39           **tabs. Prizes awarded by a terminal or device must be in the form**  
 40           **of credits for additional play or certificates redeemable for cash or**  
 41           **prizes.**

## 42           **Chapter 8. Taxation of Pari-Mutuel Pull Tab Wagering**

43           **Sec. 1. (a) A state wagering tax is imposed on the adjusted gross**  
 44           **receipts received from pari-mutuel pull tab wagering authorized**  
 45           **under this article at the rate of thirty-two percent (32%).**

46           **(b) A permit holder shall remit the tax imposed by this section**

1 to the department before the close of the business day following the  
2 day the wagers are made.

3 (c) The department may require payment under this section to  
4 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

5 (d) If the department requires taxes to be remitted under this  
6 chapter through electronic funds transfer, the department may  
7 allow the permit holder to file a monthly report to reconcile the  
8 amounts remitted to the department.

9 (e) The payment of the tax under this section must be on a form  
10 prescribed by the department.

11 Sec. 2. (a) The state racetrack gaming fund is established.  
12 Money in the fund does not revert to the state general fund at the  
13 end of a state fiscal year.

14 (b) The department shall deposit tax revenue collected under  
15 section 1 of this chapter in the state racetrack gaming fund.

16 (c) Money in the fund is appropriated for the purposes of this  
17 chapter.

18 Sec. 3. (a) This section applies to the first twenty-seven million  
19 two hundred five thousand two hundred eighty-four dollars  
20 (\$27,205,284) deposited in the state racetrack gaming fund under  
21 section 2 of this chapter in a state fiscal year ending before July 1,  
22 2007.

23 (b) Before the fifteenth day of each month, the treasurer of state  
24 shall distribute the tax revenue deposited in the state racetrack  
25 gaming fund in the preceding month to the Indiana horse racing  
26 commission to be distributed in amounts determined by the  
27 Indiana horse racing commission as follows:

28 (1) To one (1) or more breed development funds established  
29 by the Indiana horse racing commission under IC 4-31-11-10.

30 (2) To a racetrack that was approved by the Indiana horse  
31 racing commission under IC 4-31. The commission may make  
32 a grant under this clause only for purses, promotions, and  
33 routine operations of the racetrack. No grants shall be made  
34 for long term capital investment or construction, and no  
35 grants shall be made before the racetrack becomes  
36 operational and is offering a racing schedule.

37 Sec. 4. (a) This section applies to the tax revenue deposited in the  
38 state racetrack gaming fund that exceeds twenty-seven million two  
39 hundred five thousand two hundred eighty-four dollars  
40 (\$27,205,284) in a state fiscal year ending before July 1, 2007.

41 (b) Before the fifteenth day of each month, the treasurer of state  
42 shall transfer the remaining tax revenue to the state general fund.

43 Sec. 5. (a) This section applies to a state fiscal year beginning  
44 after June 30, 2007.

45 (b) Before the fifteenth day of each month, the treasurer of state  
46 shall transfer the tax revenue deposited in the state racetrack

1 gaming fund under section 2 of this chapter in the preceding month  
2 to the state general fund.

3 Sec. 6. (a) A local wagering tax is imposed on the adjusted gross  
4 receipts received from pari-mutuel pull tab wagering authorized  
5 under this article at the rate of eight percent (8%).

6 (b) A permit holder shall remit the tax imposed by this section  
7 to the department before the close of the business day following the  
8 day the wagers are made.

9 (c) The department may require payment under this section to  
10 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

11 (d) If the department requires taxes to be remitted under this  
12 chapter through electronic funds transfer, the department may  
13 allow the permit holder to file a monthly report to reconcile the  
14 amounts remitted to the department.

15 (e) The department may allow taxes remitted under this section  
16 to be reported on the same form used for taxes paid under section  
17 1 of this chapter.

18 Sec. 7. (a) The local racetrack gaming fund is established.  
19 Money in the fund does not revert to the state general fund at the  
20 end of a state fiscal year.

21 (b) The department shall deposit tax revenue collected under  
22 section 6 of this chapter in the local racetrack gaming fund.

23 (c) The treasurer of state shall establish a separate account  
24 within the fund for each county containing a racetrack. Each  
25 account consists of the local wagering taxes remitted by the  
26 county's racetrack under section 6 of this chapter and deposited  
27 into the fund under subsection (b).

28 (d) Money in the fund is appropriated for the purposes of this  
29 chapter.

30 Sec. 8. The treasurer of state shall distribute the taxes deposited  
31 in the local racetrack gaming fund as follows:

32 (1) The tax revenue remitted by a permit holder offering  
33 pari-mutuel pull tabs at a racetrack that is located in a county  
34 having a population of more than one hundred thirty  
35 thousand (130,000) but less than one hundred forty-five  
36 thousand (145,000) shall be distributed under section 9 of this  
37 chapter.

38 (2) The tax revenue remitted by a permit holder offering  
39 pari-mutuel pull tabs at a racetrack that is located in a county  
40 having a population of more than forty-three thousand  
41 (43,000) but less than forty-five thousand (45,000) shall be  
42 distributed under section 10 of this chapter.

43 Sec. 9. In the case of a racetrack described in section 8(1) of this  
44 chapter, the first two hundred thousand dollars (\$200,000) of tax  
45 revenue distributed under this section in the first calendar year  
46 that pari-mutuel pull tab wagering is conducted at the racetrack

located in the county must be paid to the county treasurer for a one (1) time distribution to a shelter for victims of domestic violence located in the county. The first two hundred fifty thousand dollars (\$250,000) of tax revenue distributed under this section in the second calendar year that pari-mutuel pull tab wagering is conducted at the racetrack located in the county must be paid to a postsecondary educational institution located in the county to support the institution's electrical engineering programs. The first two hundred thousand dollars (\$200,000) of tax revenue distributed in the third calendar year that pari-mutuel pull tab wagering is conducted at the racetrack located in the county must be paid to the Madison County Community Health Center. The remainder of the tax revenues distributed under this section each year shall be paid as follows:

(1) Thirty-two percent (32%) to the county's economic development council for distribution under section 11 of this chapter.

(2) Eighteen percent (18%) to a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).

(3) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this subdivision must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county.

(4) Fifteen percent (15%) to the incorporated cities and towns located in the county other than a city described in subdivision (2). The tax revenue distributed under this subdivision must be divided among the cities and towns on a pro rata basis according to the ratio that the population of each city or town bears to the total population of the county minus the population of a city described in subdivision (2).

(5) Fourteen and five-tenths percent (14.5%) to the capital projects fund of the county for distribution by the county legislative body.

(6) Five-tenths of one percent (0.5%) to the county fiscal body for distribution to mental health and addiction service providers located in the county.

Sec. 10. In the case of a racetrack that is described in section 8(2) of this chapter, the tax revenues remitted by the racetrack shall be paid as follows:

(1) Thirty-eight and five-tenths percent (38.5%) to the county.

(2) Thirty-eight and five-tenths percent (38.5%) to a city having a population of more than seventeen thousand nine

hundred (17,900) but less than eighteen thousand one hundred (18,100).

(3) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this subdivision must be divided among the school corporations on a pro rata basis according to the ratio that the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county.

(4) Five-tenths of one percent (0.5%) to the county fiscal body for distribution to mental health and addiction service providers located in the county.

(5) Two and five-tenths percent (2.5%) to a town having a population of more than one thousand (1,000) that is located in the county.

Sec. 11. (a) This section applies only to a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

(b) The county economic development council is established to allocate pari-mutuel pull tab wagering taxes received under section 9 of this chapter within the county. Five hundred thousand dollars (\$500,000) of the taxes received each year must be allocated for operations, capital improvements, and other necessary expenditures of the certified technology park located in the largest city in the county. The council may allocate the remainder of the taxes received under section 9 of this chapter each year for the following purposes:

- (1) Economic development projects within the county.
- (2) Assisting the Madison County Community Health Center.
- (3) Assisting nonprofit organizations located in the county.

If the council determines that the certified technology park located in the largest city in the county no longer needs the amount of money provided under this section, the council may reallocate the taxes for any purpose permitted by this section.

(c) The council consists of the following members:

- (1) Two (2) elected officials, who must be members of different political parties, representing the county, appointed by the county executive.
- (2) Two (2) elected officials, who must be members of different political parties, representing the largest city in the county, appointed by the mayor of the city.
- (3) One (1) elected official from each city in the county other than the city described in subdivision (2), appointed by the mayor of the city.
- (4) One (1) elected official from each town in the county, appointed by the legislative body of the town.

(5) The executive dean of Ivy Tech Community College-Anderson or the executive dean's designee.

(6) The president of Anderson University or the president's designee.

(d) For purposes of this section, "economic development project" means any project that would be considered an economic development project under IC 6-3.5-7-13.1.

Sec. 12. (a) Before the fifteenth day of each month, a permit holder shall pay to the Indiana horse racing commission for the promotion of horse racing a fee of thirteen percent (13%) of the permit holder's adjusted gross receipts received from pari-mutuel pull tab wagering authorized by this article for the previous month.

(b) Subject to subdivision (1)(C), the Indiana horse racing commission shall distribute the money that is paid under subsection (a) as follows:

(1) Eighty-one percent (81%) for the following purposes:

(A) Forty-six percent (46%) for thoroughbred purposes as follows:

(i) Ninety-eight and five-tenths percent (98.5%) for thoroughbred purses.

(ii) One and two-tenths percent (1.2%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Three-tenths of one percent (0.3%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty-six percent (46%) for standardbred purposes as follows:

(i) Ninety-eight and five-tenths percent (98.5%) for standardbred purses.

(ii) One and five-tenths percent (1.5%) to the horsemen's association representing standardbred owners and trainers.

(C) Eight percent (8%) for quarterhorse purposes as follows:

(i) Ninety-five percent (95%) for quarterhorse purses.

(ii) Five percent (5%) to the horsemen's association representing quarterhorse owners and trainers.

However, in the first year after the commencement of pari-mutuel pull tab operations, the money distributed under this clause may not exceed the lesser of two million seven hundred thousand dollars (\$2,700,000) or eight percent (8%) of the money paid under this subdivision. If quarterhorse races average at least seven and five-tenths (7.5) horses per gate in the first year after the commencement of pari-mutuel pull tab operations or in a

1 subsequent year, the money distributed under this clause  
 2 for quarterhorse purposes shall be increased by ten  
 3 percent (10%) in the following year. However, the money  
 4 distributed under this clause may not exceed eight percent  
 5 (8%) of the total amount of money distributed under this  
 6 subdivision. If the amount of money distributed under this  
 7 clause is less than eight percent (8%) of the total amount of  
 8 money distributed under this subdivision in a particular  
 9 year, the amounts distributed under clauses (A) and (B) for  
 10 that year shall be increased equally in proportional  
 11 amounts.

12 (2) Nineteen percent (19%) to the breed development funds  
 13 established under IC 4-31-11-10 in the same proportion that  
 14 money is distributed for the purposes of each breed under  
 15 subdivision (1).

16 Sec. 13. (a) As used in this section, "political subdivision" means  
 17 a county, township, city, town, separate municipal corporation,  
 18 special taxing district, or school corporation.

19 (b) Money paid to a political subdivision under this chapter:

20 (1) must be paid to the fiscal officer of the political subdivision  
 21 and must be deposited in the political subdivision's general  
 22 fund;

23 (2) may not be used to reduce the political subdivision's  
 24 maximum levy under IC 6-1.1 but may be used at the  
 25 discretion of the political subdivision to reduce the property  
 26 tax levy of the political subdivision for a particular year;

27 (3) may be used for any purpose specified in this chapter or  
 28 for any other legal or corporate purpose of the political  
 29 subdivision, including the pledge of money to bonds, leases, or  
 30 other obligations under IC 5-1-14-4; and

31 (4) is considered miscellaneous revenue.

## 32 Chapter 9. Penalties

33 Sec. 1. A person who knowingly or intentionally aids, induces,  
 34 or causes a person who is:

35 (1) less than twenty-one (21) years of age; and

36 (2) not an employee of a pari-mutuel pull tab operation  
 37 licensed under this article;

38 to enter or attempt to enter the pari-mutuel pull tab operation  
 39 commits a Class A misdemeanor.

40 Sec. 2. A person who:

41 (1) is not an employee of a pari-mutuel pull tab operation  
 42 licensed under this article;

43 (2) is less than twenty-one (21) years of age; and

44 (3) knowingly or intentionally enters the pari-mutuel pull tab  
 45 operation;

46 commits a Class A misdemeanor.

**Chapter 10. Employment**

**Sec. 1. (a) This section applies if a permit holder's employees are covered under the terms of a collective bargaining agreement that is in effect at the time a pari-mutuel pull tab license is issued authorizing a person to offer pari-mutuel pull tabs under this article at the permit holder's racetrack.**

**(b) If a permit holder has nonsupervisory employees whose work is:**

**(1) directly related to:**

**(A) pari-mutuel terminal operations; or**

**(B) money room functions associated with pari-mutuel wagering on horse racing; and**

**(2) covered under the terms of a collective bargaining agreement;**

**the permit holder shall, subject to subsection (c), staff nonsupervisory positions directly related to the operation of pari-mutuel pull tabs under this article with employees whose work is covered under the terms of a collective bargaining agreement.**

**(c) The employees described in subsection (b) must be qualified to meet the licensing requirements of this article and any criteria required by the Indiana gaming commission in rules adopted under IC 4-22-2.**

**Sec. 2. The job classifications, job duties, wage rates, and benefits of nonsupervisory positions related to pari-mutuel pull tabs may be established by agreement of the parties to a collective bargaining agreement or, in the absence of an agreement, by the permit holder."**

**Page 9, line 11, after "(IC 4-33-13);" insert "the taxes imposed on pari-mutuel pull tab wagering at racetracks (IC 4-35-8);".**

**Page 22, between lines 8 and 9, begin a new paragraph and insert: "SECTION 18. IC 35-45-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:**

**(1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; or**

**(2) a game of chance operated in accordance with IC 4-32; or**

**(3) a pari-mutuel pull tab game operated in accordance with IC 4-35.**

**SECTION 19. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. This chapter does not apply to the sale of pari-mutuel pull tabs authorized by IC 4-35."**

**Page 23, after line 36, begin a new paragraph and insert the following:**

**"SECTION 20. [EFFECTIVE JULY 1, 2005] (a) The Indiana**



1 gaming commission shall adopt the emergency rules required  
2 under IC 4-35-4-2, as added by this act, before January 1, 2006.

3 (b) This SECTION expires January 31, 2006.

4 SECTION 21. [EFFECTIVE JULY 1, 2005] (a) If the Indiana  
5 gaming commission determines that a permit holder has met the  
6 requirements of this act, the Indiana gaming commission shall  
7 adopt a resolution authorizing a permit holder to sell pari-mutuel  
8 pull tabs under IC 4-35, as added by this act. The Indiana gaming  
9 commission may exercise any power necessary to implement this  
10 act under a resolution authorized under this SECTION.

11 (b) This SECTION expires December 31, 2006."

12 Renumber all SECTIONS consecutively.

(Reference is to HB 1846 as printed February 25, 2005.)

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Representative Reske